THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) Yes, Sir.

(b) The reasons attributed for this fall in profit are:

(i) Under recoveries on sale of Kerosene and Liquified Petroleum Gas (LPG); and

(ii) Reduced market margins on the sale of petrol and diesel due to non-revision of domestic prices in line with the international prices of these products.

Domestic production of LPG

1273. SHRI THANGA TAMIL SELVAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have decided to meet LPG demand from the domestic production;

(b) if so, the details thereof;

(c) whether Government have ascertained the reasons which are creating hindrance in production;

(d) if so, the details thereof; and

(e) the time limit fixed for the production to meet the demand in the country?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (e) Domestic production of LPG is less than domestic consumption. As a result, a part of domestic consumption is met through imports. During 2003-04, domestic production of LPG was 7651.0 Thousand Metric Tonnes (TMT) against the demand of 9305.0 TMT The setting up of refineries is decontrolled and any capacities, which may, *inter alia,* produce additional LPG, would come up on commercial considerations.

Oil exploration and petroleum refining

1274. SHRI SANJAY RAUT: Will the Minister of PETROLEUM AND NATURAL GAS be plased to state:

(a) whether Government have recently reviewed the performance of oil exploration and petroleum refining;

(b) if so, the details thereof for the last three years by standard indicators along with emerging trends; and

(c) the details of major policy decisions taken/under consideration for attracting FDI in petroleum sector to meet growing requirements?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) The performance of Oil Public Sector Undertakings (PSUs) under the Ministry of Petroleum and Natural Gas is reviewed continually on a monthly, quarterly and annual basis. In addition, Planning Commission and Department of Public Enterprises (DPE) are also reviewing the performance of Oil PSUs.

(b) Based on the Memorandum of Understanding (MoU) signed between the Government and Oil PSUs at the beginning of the year, performance evaluation is done by DPE comprehensively.

(c) With a view to liberalising the Foreign Direct Investment (FDI) regime, Government of India, Ministry of Commerce and Industry have effected the following changes in the FDI Policy in Petroleum sector during January, 2004:-

p) FDI up to 100 per cent is permitted on the automatic route on petroleum product marketing. FDI for this sector would be permissible subject to the existing sectoral policy and regulatory framework in the oil marketing sector.

(ii) FDI up to 100 per cent is permitted on the automatic route in oil exploration in both small and medium sized fields subject to and under the policy of the Government on private participation in: (a) exploration of oil and (b) the discovered fields of national oil companies.

(iii) FDI up to 100 per cent is permitted on the automatic route for petroleum product pipelines subject to and under the Government Policy and regulations thereof.

(iv) FDI up to 100 per cent is permitted for Natural Gas/LNG Pipelines with prior Government approval.